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FBI, FDA and Inspector General Looking Into Puerto Rico Health Dept. Purchases

By *Yanira Hernández Cabiya* on April 6, 2020



Fiscal board Requires Gov't to Seek Reimbursements

SAN JUAN — Puerto Rico Health Secretary Lorenzo González Feliciano said Monday that federal agencies have asked him for information on emails related to purchase orders made during the coronavirus pandemic, thus confirming possible investigations into the mismanagement of public funds.

González Feliciano said that officials from the Federal Bureau of Investigation (FBI), the Food and Drug Administration (FDA) and the Office of the Inspector General requested that his department "safeguard email accounts."

Among the issues that could be under investigation are either the discovery of warehouses with expired drugs or the \$38 million order of one million rapid tests to detect the novel coronavirus disease (COVID-19), which were canceled due to not being approved by the FDA.

"They have asked...basically, the way they ask for information, what has been asked so far, is to safeguard email accounts. I assume they want to see the [conversations]. I have nothing else," the official said in a Radio Isla interview.

González Feliciano said a total of 207,000 rapid tests to detect COVID-19 have arrived in the island, 200,000 of which were being picked up at the airport Monday to be distributed.

The purchase of the one million tests at a cost of \$38 million, which was handled by construction industry companies Apex General Contractors and 313 LLC was canceled, and a refund was requested for the amount paid, which was half of the total cost of the tests.

The tests were acquired before González Feliciano was appointed Health secretary and while the purchasing process was being managed as per the recommendation of the Health task force

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Gen. José Burgos, the commissioner of the Emergency Management Bureau, which processed the purchase of the million tests, said in a Radio Isla interview that Health Department Administrative Assistant Adil Rosa was who told him about the availability "of a million tests in Miami," which "she said could be here in two or three days," the official added.

When consulting with the FDA and U.S. Customs and Border Protection (CBP) to expedite their clearance, it was found that the test manufacturers in Australia were not on the FDA-approved list of companies.

It was at that time that it was determined to cancel the order and demand a refund, Burgos said.

According to reporting by Caribbean Business and El Nuevo Día, Apex General Contractors and 313 LLC, are related to the Lemus Group, connected to the top leadership of the majority New Progressive Party.

In a letter to the governor, the executive director of the financial management board that was federally established for the island, Natalie Jaresko recalled that on March 16, Executive Order No. 2020-24 was issued to establish special emergency procurement procedures to acquire products and material that the Health Department declares necessary in connection with the prevention of COVID-19.

The executive order, Jaresko said, requires that any contract "executed in accordance with said Executive Order must be submitted to the Oversight Board on the date of execution."

On March 25, Jaresko went on, "the Government also issued Executive Order No. 2020-27, which exempts the Executive Branch from the requirements of government contracting processes to enable and accelerate the recovery of Puerto Rico. Executive Order No. 2020-27 repealed and substituted Executive Order no. 2020-010 to include requirements that addressed some concerns the Oversight Board had presented.

"As you know, the Oversight Board established and maintains a contract review policy pursuant to Section 204(b)(2) of PROMESA [Puerto Rico Oversight, Management, and Economic Stability Act] to require Oversight Board prior approval of certain contracts to assure that they 'promote market competition' and 'are not inconsistent with the approved fiscal plan' (the 'Policy'). All government contracts and amendments thereto with an aggregate value of \$10 million or more are subject to Oversight Board prior approval pursuant to the Policy.

"Despite all of the above, the Government did not submit the agreements to purchase the aforementioned rapid testing kits to the Oversight Board. The fact that the Oversight Board allowed the use of the emergency fund without prior approval, does not mean that purchases made in response to the emergency with those funds can be made without complying with the corresponding due process consistent with fiscal governance, accountability, and internal controls. These elements of the procurement process are particularly critical during a state of emergency to ensure that critical resources are used efficiently and effectively. This state of emergency does not present grounds to disregard fiscal governance, accountability, and internal controls. Rather, it is especially during such times that the Government must continue to adhere to such principles to build and maintain confidence of all the stakeholders in the Commonwealth.

'The agreements at issue appear to not comply with PROMESA



and the processes by which they were procured do not meet the benchmarks that must guide the Government's procurement of products and services during the state of emergency. Entering into these agreements as above-described, without consideration of applicable processes or of basic procurement good practices, is unacceptable. Further, a legal analysis of the agreements in question may conclude that the same are null and void from inception. As such, these agreements should be canceled, provided they have not been already, and you should seek immediate reimbursement of all public funds disbursed in connection thereto. Please confirm, by April 8, 2020, that the Government has canceled these agreements and that the corresponding public funds have been reimbursed to the emergency fund.

González Feliciano said that nearly 5,000 tests have been administered to date in Puerto Rico between rapid tests and the so-called PCR (polymerase chain reaction) tests, but to have an adequate epidemiological picture to show accurate approximations of how the novel coronavirus is spreading on the island, some 21,000 tests should be administered.

As of Monday, the number of positive cases in Puerto Rico had risen by 21, for 513 confirmed cases, 15 were processed in the Public Health Laboratory and six in the VA Hospital. A total of 4,951 COVID-19 tests have already been administered on the island, of which 3,432 have been negative and the results of some 1,000 are still awaited.

Twenty people have died of the disease.

[Documentos] Extraña movida de suplidor de pruebas rápidas del Gobierno de Puerto Rico



El vendedor 313 LLC realizó cambios a su estructura corporativa el día antes de que la gobernadora Wanda



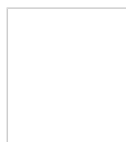
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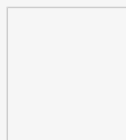
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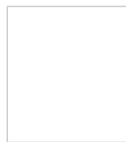
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